

# GLOBAL NEWS LINE

## MOROCCO

**On March 28, Greater Casablanca signed a contract with the California-based engineering firm Brown, Vence & Associates to conduct a feasibility study on the proposed solid waste management concession for the city of Casablanca and its region.** This study is being funded by the U.S. Trade and Development Agency as part of its technical assistance to Morocco.

The study will examine the technical, financial, environmental, and other critical aspects of the project in order to develop the best solid waste management system that would include street cleaning, waste collection, transportation, transfer centers, waste treatment, and a controlled landfill. Three months are slated for the preparation of bidding documents for an international tender. The final contract for the solid waste management concession by a foreign firm is expected to be concluded by the end of 2002.

The solid waste situation in Casablanca, Morocco's largest city with almost 5 million inhabitants, worsens as pressure on its infrastructure increases with urbanization. The total solid waste management capacity is nearly 3,000 tons/day for greater Casablanca. Most of the solid waste is currently being disposed of in the Mediouna landfill, which has a surface area of approximately 70 hectares. At the current disposal rates, this landfill has a remaining life expectancy of five to ten years. In addition, solid waste residues contaminate 25 percent of Casablanca water.

In its study, the U.S. consultant will develop a number of suggested alternative solutions for developing and financing a regional solid waste management facility for the city of Casablanca on a public-private partnership basis. At a minimum, the consultant will consider three options, including a long-term (e.g., 25 years) operating concession, a build-own-operate transfer structure in concert with a long-term waste supply agreement, and a joint venture project company with equity participation by the city of Casablanca.

For more information on this tender, interested U.S. firms may contact the Commercial Service of the American Consulate General in Casablanca, Attn: Latifa Essakalli, Sr. Commercial Specialist, Tel: +212-22-26-45-50 ext. 4121; Fax: +212-22-22-02-59; E-mail: latifa.essakalli@mail.doc.gov.

## GERMANY

**Recent statistics published by Germany's medical trade associations and manufacturers indicate substantive growth for Germany's medical technology manufacturers.** In 2000, the 1,200 German companies that produce medical technology ranging from blood volume monitors to dental elevators, generated sales of more than 10 billion euro, an increase of 9.4 percent over the previous year. Ranking third behind the United States and Japan, German manufacturers are at the forefront of the global medical market with a volume of 179 billion euro and annual growth rates averaging 20 percent. Most of them count on their exports, however, since health care regulations in Germany have resulted in four years of stagnation in the local market. Local sales in 2000 reached only 1998 levels, with a value of 4.9 billion euro, an increase of 2.7 percent. Foreign sales increased by 16.9 percent to a total of 5 billion euro, accounting for over 50 percent of total sales generated in 2000. Production of medical technology increased by 13 percent to 8.5 billion euro over the same period.

## ITALY

**ZDNet Italia, one of the most important Italian on-line high-tech news-magazines, recently reported the results of market research carried out by the British firm Ovum on behalf of Netscalibur, an Italian group offering Internet business services.**

According to the Ovum report, the market for Internet services in Italy will grow more than 20 percent in 2002, in comparison with 17 percent in Europe. By 2005, Italian companies are expected to invest \$5.2 billion in Internet services, while European companies should make total investments of \$28 billion.

In Italy there are presently some 16 million Internet users, a figure expected to grow to 30 million by 2005. Ninety percent of Italian Internet users utilize e-mail on a regular basis, and 71 percent of Italian employees utilize e-mail daily, a little lower than the European average of 78 percent. Approximately 150 million e-messages are exchanged every day in Italy, and this figure is expected to increase to 500 million by 2005.

## RUSSIA

**As the economic recovery in Russia gathers pace, it has become more apparent that lack of financing is a major hindrance on the path for sustained upturn.** Inability of the Russian banking system to provide adequate funding to many expanding companies hampers replacement of old capital equipment, as well as investment in new technologies and personnel. This problem is even more acute for small and medium-sized companies, as well as for the high-tech sector. Establishment of innovative and flexible financial infrastructure implies the development of a venture capital (VC) industry able to satisfy a growing variety of financial needs, as well as to provide the much-needed capital to expanding innovative companies.

However, the role of venture capital in Russia's financial system has not been significant in the past 10 years. The EBRD and other foreign investors created the majority of active VC funds. The total estimated investment by VC funds in Russia is \$350-450 million. But indeed, the initial impulse provided by foreigners needs to be supported by national capital in order to become a substantial resource of financing the economy. The Russian government has realized the need to support VC industry growth and is taking vital steps to establish a network of regional VC funds.

## JAPAN

**Japanese retail chains have been criticized as being opaque and inefficient. It is often said that their multilevel distribution system and Japanese commercial customs raise distribution**

**costs and therefore create a complicated and expensive environment.** According to the Commerce Census of July 1999, there were 1,406,850 retailers, excluding restaurants, and 425,850 wholesalers present within the compact Japanese islands.

Third party merchandising (3PMD), also known as field merchandising, has taken root in parts of Japan. Paltac K.K., a major Japanese commodities wholesaler, established its 3PMD business in a global alliance with Spar Incorporated, the dominant U.S. firm in the sector. Last year they established the first Japan-based 3PMD company, Spar FM Japan. The joint venture is targeting sales of 5 billion yen within five to six years. The company plans on using a U.S. business process based on the Internet, a method developed by Spar Inc. in the USA. Recently, a subsidiary of Kao Corporation, a major commodity manufacturer, and another wholesaler also started up new companies that provide merchandising service at retail stores.

In Japan, salespeople representing manufacturers and wholesalers regularly visit retail stores to review shelf space, exchange new or existing products, replenish sold stock, review advertisements, check price tags, and so on. A surge of newly introduced products has increased demand for this type of hands-on merchandising, and the current population of wholesalers and manufacturers cannot afford it. Under traditional pricing practices, wholesalers' profits were not clearly categorized, and the increased work requirements at retail stores threatened profits. The new business sector that is emerging takes this merchandising role away from the core business model, and as a new profit center, it takes advantage of the market-driven environment gaining strength in Japan.

## **SOUTH KOREA**

**On April 9, 2002, the Committee for Privatization of Public Corporations under the Ministry of Planning and Budget (MPB) announced its plan to sell the five power generation**

**companies (gencos) of the Korea Electric Power Corporation (KEPCO).** According to the approved framework, the Ministry of Commerce, Industry and Energy (MOCIE) will implement the sale of the five gencos in two phases. During the first phase, MOCIE plans to select one thermal genco using the recommendation of a financial advisor. The first sale of a thermal genco will begin in the second half of 2002. It is expected that the sale of a second genco will be completed by 2004. The government will sell the shares of the two gencos in an initial public offering (IPO) as well as the management rights of gencos slated for privatization. The management rights of each genco will be sold under the principle of one investor for one genco. It is anticipated that foreigners will be able to buy and control no more than 30 percent of South Korea's entire power generation capacity of 50,858 MW. However, MOCIE has not disclosed any further details of the IPO plan or the sale of management rights. MOCIE will develop a detailed schedule to privatize two thermal gencos in the first phase utilizing the recommendation of a financial advisor. Considering that KEPCO gencos' power generation capacity of 46,731 MW accounts for 92 percent of South Korea's total installed power capacity, the sale of the gencos could provide U.S. companies with excellent business opportunities in the South Korean power market.

**The need for skilled translators has become apparent with South Korea's growing level of business sophistication, its increased ties to global markets, the country's desire to be a business hub, the many thousands of South Korean students studying abroad, and the rapidly approaching 2002 World Cup games.** English language programs rank very high among the overseas study curriculums for South Koreans seeking full-time education in the United States. Upon finishing their programs, many of these students return to South Korea to be employed as translators in an industry

that has seen marked growth during the past few years. In particular, the market for audiovisual translations has been expanding at a very rapid pace, providing robust opportunities for U.S. and foreign-based translation firms.

The audiovisual field in South Korea covers foreign television shows and movies, videos, animations, product advertising, and corporate PR films. It is important to note that with the advent of cable TV, a large amount of U.S. and foreign programming has found its way into the living rooms of South Korea. As a result, there is a constant need for more qualified agencies to translate these shows into Korean.

## **BRAZIL**

**On March 13, 2002, Solon Lemos Pinto, the Brazilian e-government executive secretary and chief of staff of the logistics and IT department of the Brazilian Ministry of Planning, announced that by December 2002, all government products and services are to be available via the Internet (75 percent of all products and services are currently available via the Internet).** The e-government plan is not only designed to provide easy access to governmental issues for the public, but also to modernize the infrastructure of government systems and networks.

Brazil's federal government is spending R\$1.5 billion annually to acquire software and IT services for its operations. In addition, by the end of this year, the Brazilian government will have installed 3,500 computer terminals in public places such as subways and bus stations. The first phase of the project will be implemented in cities with over 200,000 inhabitants at an expenditure of approximately R\$54 million. ■

## **NEED MORE DETAIL?**

Ask a Foreign Commercial Officer at one of the Department of Commerce's posts located around the globe. Contact information, including phone, fax and email, is available by calling the Trade Information Center at (800) USA-TRAD(E).